

The Commissioner of Revenue is responsible for maintaining all real property records for the purpose of assessment and taxation. The Commissioner's office is charged with obtaining, from the Clerk of Court, deed transfers, deeds of correction and other recorded instruments and processing them in a timely manner.

The Commissioner of Revenue also oversees a contractor chosen by the Board of Supervisors which periodically conducts a general reassessment of real property and is responsible for the interim assessment of newly developed property. In addition to these functions, the Commissioner's office maintains the official county tax maps of property, adding new subdivisions, easements and rights of way.

By working with the general public and other state and local agencies, the Commissioner's office provides timely, accurate and accessible real estate information to the citizens of Madison County.

A thorough understanding of the real estate assessment procedures will serve all who are affected by them. Madison County citizens commonly ask the following questions about real estate assessments. Specific questions not covered here may be directed to the Commissioner of Revenue. Office hours are 8:30 a.m. to 4:30 p.m., Monday through Friday; the phone number is 540-948-4421.

Q: When was the last reassessment?

The last reassessment took place in 2007 and was effective for the 2008 taxes.

Q: Does the Commissioner's Office raise taxes?

The Commissioner of the Revenue's office does not set tax rates. **It is the responsibility of the Board of Supervisors to set personal property and real estate tax rates. Both these rates are based on the budgetary needs of the county for the up-coming fiscal year**

The Commissioner's office oversees the reassessment of real estate to ensure your property is assessed as fairly, equally and accurately as possible. Sec.58.1-3201 of the Virginia tax code requires localities to assess Real Estate at 100% of fair market value. Accuracy in assessments is very important. If assessments fall too far below market value, state funding can be reduced or ultimately denied.

Q: Who actually performs the reassessment for Madison County?

Real estate assessments in Madison County have been administered by Blue Ridge Mass Appraisals under a contract for services with the County and with the authority of the

Constitution of Virginia. The real estate tax is the County's largest single source of revenue and for many property owners it is the largest tax paid directly to the County. Consequently, it is important to both the County and the taxpayer that real estate assessments are administered equitably with the highest degree of proficiency.

Q: What is the reassessment process? (for reassessment effective 1-1-2008)

1. The County is divided into smaller neighborhoods for purpose of market comparison.
2. Each property is visited by a field inspector who verifies data and collects additional data.
3. Data collection is entered into the mass appraisal system and accuracy validated.
4. Neighborhood sales, land values, yearly appreciation trends and other data are analyzed throughout the process.
5. When reassessment is complete, property owners are notified by mail.
6. Hearings with the appraisal firm will be held if requested by the property owner. Property owners who continue to disagree with the reassessment results may appeal to the Board of Equalization appointed by the Circuit Court.

Q: My property value increased. Does that mean my tax bill will increase?

No. Your assessment is only used to distribute the tax burden across all property in the county. The Board of Supervisors, through the tax rate, creates the tax burden. The tax rate will be set in June. The reassessment attempts to assure that the burden is distributed fairly and equitably across all property in the county based on market conditions at the time of the reassessment.

Q: Can I use the current tax rate to estimate next year's tax bill?

No. Once a reassessment is completed the tax rate must be adjusted (equalized) to offset the effects of the reassessment and ensure that the real estate tax base does not increase by more than 1% over the previous year. This rate is referred to as the effective tax rate. (Code of Virginia 58.1-3321) The Board of Supervisors can only increase the tax rate above the effective rate if they hold a public hearing.

Q: How do I appeal my new assessment if I think an error has been made?

By law, neither the County Board of Supervisors nor the County Administrator can change property assessments. Citizens wishing to have their assessments reviewed may follow the appeals process outlined below.

1. Blue Ridge Mass Appraisals Review (the contractor)

If you wish to challenge your assessment, the first step is to call 540 948-7500 Ext. 157 and make an appointment to speak to the appraiser. He or she may be able to answer all of your questions satisfactorily. THE DEADLINE FOR FILING A REVIEW WITH BLUE RIDGE

MASS APPRAISALS IS MARCH 1, 2007.

2. Board of Equalization

If the initial review is not satisfactory you may appeal to the Board of Equalization of Real Estate Assessments, a five-member citizen group appointed by the Circuit Court Judge from recommendations made by the Board of Supervisors. Although, by statute, property owners may appeal directly to the Board of Equalization, owners should try to settle differences with Blue Ridge Mass Appraisers first. Differences are often resolved at this level, thus eliminating the need to go forward to the Board. The hearing dates and times for the Board of Equalization will be advertised in the local newspaper. THE DEADLINE FOR FILING AN APPEAL TO THE BOARD OF EQUALIZATION IS APRIL 15, 2007.

3. Circuit Court

If you still disagree with the decision of the Board of Equalization, the next level of appeal is to the Circuit Court of Madison County. For information, call the Clerk of the Circuit Court, 540-948-6888.

Requests for applications for Board of Equalization appeal should be addressed to the Commissioner of Revenue; phone 540-948-4421 or write to:

Commissioner of Revenue
P.O. Box 56
Madison, VA 22727

NOTE: the owner of record or a duly authorized agent of the owner must sign all review and appeal applications.

Q: What happens if the county does not assess real property at or near fair market value?

A number of state funding sources are tied to the accuracy of property assessments. If assessments fall too far below market value state funding for the County's public education program and other uses can be reduced or even withheld.

Q: Why would the County's assessment be different than a private appraisal?

Madison, just as other local counties, reassesses real estate using mass appraisal methods. Since the County's assessments depend on the reconciliation of all sales occurring in a 12-month period in a particular area, an assessment represents atypical, or average, value for a property in relation to other property values. A private appraisal will always be more detailed and

may be done for a specific purpose. A private appraisal determines the value for a specific property on a certain date, usually based on recent sales of a few comparable properties. The private appraisal may be made for a variety of purposes, such as for purchase or sale, mortgage financing, a home equity loan, an estate settlement, income tax purposes, etc. and therefore it is not always a valid means for evaluating a general reassessment.

Q: I just had my property appraised: will that help me in the hearings process?

Any materials that may assist the assessors in gaining an accurate portrait of your property may be used to support your position at the hearings. For an appraisal to accurately reflect market conditions, however, it must have been conducted within the past 6 months.

Q: How can an assessment be different from the sale price recently paid?

Assessments are based on typical values within neighborhoods. While the sale price of a property will affect its assessment, the effect will be diluted by the mass appraisal methods which consider all sales within a neighborhood in determining assessed values. Also, the assessor primarily uses sales occurring within a 12-month period prior to the assessment date. A consequence of this is that the assessments of properties which have sold very recently may differ from the earlier sales prices by a marked amount when real estate markets are changing rapidly.

Q: How do trends in real estate prices affect assessments?

A property's assessment is based on the sales activity and prices paid for property in the immediate area. Assessments are not based on large area sales activity like county-wide trends. For the 2007 reassessment, residential assessments were based primarily on area sales occurring from July 1, 2006 through June 30, 2007, and further refined using sales occurring in the summer and fall of 2007.

Q: Does parcel size affect the assessment?

Parcel sizes do affect assessed values, but not as much as some people may think. The County assesses residential land by the building site, where the utility of property is a chief determinant of value. A lot which is 20 percent larger than another is not necessarily 20 percent more valuable if each lot can serve as a single home site. The additional value of the larger lot will usually be less than 20 percent greater than the smaller lot. This means that the larger lot will be assessed less per acre than the smaller lot.

Q: What is a "home site" and how is it valued?

A “Home Site” or “House Site” is all or part of a parcel that is best suited for single family residential construction. Applying the concept of “Highest and best use”, this part of the land parcel is worth significantly more than the residual acreage. Keep in mind that for market comparison purposes, sales of properties are analyzed by a determination of the value of the one acre home site to which is added the value of the residual acreage. In so doing valuation consistency is maintained amongst grouping of similarly located parcels. All property having less than 20 acres, and not zoned or utilized as Commercial or Industrial property, is classified by the State as Residential.

Q: Do the actions of neighbors affect the assessed value of other properties?

At times, property owners have asked that assessments reflect the presence of less-than-desirable neighbors - such as residents who may be loud, or have abandoned cars on their property, or fail to mow their lawn regularly, etc. Usually these activities of neighboring property owners will not affect the assessment of a property because they are considered transitory - neighbors come and go, while other economic variables such as house construction, neighborhood boundaries, lot size may remain relatively constant.

Q: Must the property owner allow an interior inspection of his or her home when contesting an assessment?

No. However, appraisers cannot address conditions of which they are not aware. An exterior inspection of a home will provide much information about the property, but it will certainly fall short of a complete review. And, the outcome of a contested assessment could be affected by the lack of verifiable information.

Q: What are the legal requirements for property reassessments?

The laws and ordinances under which real property is assessed are numerous; however, there are several legal requirements of real estate assessments of which every property owner should be aware.

Real estate assessments are required by law to be at 100 percent of fair market value. The Virginia Supreme Court has provided the following definition of fair market value: The fair market value of a property is the price which it will bring when it is offered for sale by one who desires, but is not obliged, to sell it, and is bought by one who is under no necessity of having it.

Real property in Madison County must be assessed once every four to six years.

Reassessment must be performed more often if the assessed value falls below 70 percent of the market value.

Real estate assessments are also required to be uniform on the same class of property.

Q: What causes property values to change?

A property's value can change for a number of reasons: market value changes, physical changes, such as additions, garages, remodeling; or damage or destruction; to name just a few. However, the most frequent cause of change in value results from a change in the market value.

Q: How Is My Tax Bill Calculated From My Assessment?

Tax rates are expressed in dollars per one hundred dollars of assessed value. For example, in 2007 a tax rate of 59 cents per \$100 would result in a real estate tax of \$2,360 on a property assessed at \$400,000. $(.59 \times (400,000/100)) = .59 \times 4,000 = \$2,360$.

Q: What is the Real Estate Land Book?

Real estate assessments are a matter of public record; for each parcel of real estate, the name of the owner(s), the amount of the assessment, and the taxes levied are recorded in the Land Book.

Copies of the Land Book are kept in the offices of the Commissioner of Revenue, the Treasurer, and the Clerk of the Circuit Court. Anyone is free to examine these books to compare assessments and taxes of properties. Most of the information contained in the records of the Commissioner of Revenue is public information and is available for inspection. For each property this information includes such things as the record of ownership, source of title, sales prices and dates, legal descriptions, physical descriptions of the land and buildings, and a history of assessment.

Q: When Should I Expect My Assessment Notice?

Notices of assessment are sent out by the middle of November each year. If you have not received your notice it may be that you have changed your address and you have not notified the Commissioner of Revenue. It is your responsibility to do this so that you will receive your notice in a timely manner. Lack of a notice or tax bill does not excuse late payment or non-payment of taxes.

Q: When and Where Can I Pay My Personal Property and Real Estate Taxes?

The real estate tax is collected by the Treasurer of Madison County. Taxes may be paid by mail or in person just as soon as you have received the bill. Currently the tax is billed in one annual installment and payment is due by December 5th. Questions about real estate tax bills should be directed to the Madison County Treasurer by calling 540-948-4409 or by writing or visiting the office which is located in Administration Center at 414 North Main St. The mailing address is: Treasurer, PO Box 309, Madison, VA 22727.

Q: Are Certain Individuals Or Properties Exempted or Do They Have Deferred Taxes?

Some real estate is exempt from taxation. The Constitution of Virginia and the Code of Virginia control these exemptions. Certain persons who are 65 years old or permanently disabled may have real estate taxes on their home in Madison County deferred. Information on the Real Estate Tax Relief Program may be obtained by calling the Commissioner of Revenue at (540) 948-4421.

Q: What is the average increase for Madison 2007 Real Estate Assessments?

On average, Madison County experienced a real estate sales price increase over the three year period (from summer of 2004 to summer of 2007) of 51 percent. Therefore, assessments for 2007 show that overall real estate values in Madison are up an average of 17 percent per year.